



## Tennessee Agricultural Enhancement Program

# Producer Diversification Cost Share Program

For Fiscal Year 2007 - 2008



*Changing, Expanding, Improving Through Agricultural Growth Initiative Producer Diversification Cost Share*

The purpose of this program is to **increase farm income in Tennessee** by encouraging producers to expand and improve their operations through production of diversified agricultural products. This goal will be achieved by providing cost share funds for farmers to install farm infrastructure, purchase specialty equipment and market their diversified farm products.

Diversified agricultural products include agritourism, aquaculture, bees, fruits & vegetables, goats & sheep, horticulture, organics, value-added products, viticulture, and others as approved by the Tennessee Department of Agriculture.



This initiative is funded through an appropriation for farm programs in the state's budget as proposed by Governor Phil Bredesen and supported by the Tennessee General Assembly.

### Application Period:

Start accepting applications: .....July 2, 2007  
Deadline for applications: .....August 31, 2007  
Announce approved projects: .....October 1, 2007  
Project Deadline: .....June 30, 2008

### Cost Share Reimbursement

Producers can apply for reimbursement of **35 % cost share**, up to the maximum, for activities or items within three funding categories. **The maximum cost share available per producer is \$10,000 per fiscal year.** Producers may submit only one application per fiscal year.

New this year! Producers meeting special requirements in the priority areas of Agritourism, Goats & Sheep, Organics, and Viticulture are eligible for reimbursement of **50% cost share**, up to the maximum of **\$15,000 per fiscal year.**

## Examples of Cost Share Activity by Product/Industry

*\* Priority Area – increased cost share offered if producer meets special requirements*

**Agritourism\*:** new enterprise development, retail shelters, and public use considerations such as handicap accessible, lighting, parking areas, restroom facilities, and safe way areas. Ineligible – general landscaping for aesthetic purposes and motorized rides.

**Aquaculture:** aerators, harvesting equipment, ponds (producing). Ineligible – food and fish stock.

**Bees:** The proposed activity must encompass quality expansion or improvement of pollination or production. The only eligible items are: apiary expansion, beehives, honey processing equipment, and trailers for pollination service.

**Fruits & Vegetables:** coolers, fruit producing liners for orchards, irrigation, plasticulture equipment. Ineligible – inputs (fertilizer, pesticides, seed stock).

**Goats & Sheep\*:** handling equipment specific to goats/sheep, electric fencing for pasture rotation and predatory control, panels/pens for

holding areas, and reconstruction of existing structures. Ineligible – buildings/barns, genetics, inputs (feed, vet health and pharmaceuticals) and perimeter fencing.

**Horticulture:** automated equipment, coolers, greenhouse construction and materials, heaters, irrigation, potting wagons. Ineligible – inputs (drip tape, fertilizer, liners/plugs, seed stock), pots and containers.

**Organics\*:** Hoop houses, hydroponics, irrigation, and marketing. Ineligible - inputs (fertilizer, seed stock, pest management).

**Value-added products:** advertising, e-commerce and website development, loading dock, production equipment. Ineligible - product development, rent, supplies such as containers, ingredients, and labels.

**Viticulture\*:** chilling units, custom crushers, irrigation, mechanical harvesters, trellis materials, vine stock. Ineligible - inputs (fertilizer, pesticides) and wine making equipment.

*Priority Areas	Special Requirements for 50% Cost Share
Agritourism	Must have attended a TDA/UT sponsored educational workshop or conference within the last two years. Include title, date, and location of educational session attended.
Goats & Sheep	Must complete Master Meat Goat Producer course by reimbursement deadline. List county where course is held.
Organics	Must be USDA certified or working towards certification to qualify. Include copy of certification or contact information of the certifying organization you are working with.
Viticulture	Applies only to the purchase of specific varieties of grapes (Cabernet Sauvignon, Chamberein, Chardone, Chardonnay, Concord, Seyval, Sunbelt, Traminette) and trellis materials needed for planting these specific varieties.

## Cost Share Activity

Proposed activities for cost share must demonstrate significant potential for **increasing farm income** through the improvement or expansion of farm or agri-business operations involving the production of diversified agricultural products. In addition, proposed activities must:

- Be market driven and have a viable marketing plan
- Establish something new, not substitute for on-going projects
- Meet all state and local food safety and regulatory requirements
- Produce long-term benefits

The three categories are defined below:

**Farm Infrastructure** – installations that facilitate the production of diversified agricultural products. Activities must have a life span of least three years. Labor is only reimbursable if conducted by a contractor. Examples include greenhouses, retail shelters, and public use considerations such as handicap accessible, lighting, parking areas, restroom facilities, and safe way areas. *Ineligible – fencing, clearing of land & general landscaping, general maintenance/renovations, major construction (barns, storage buildings, show facilities), permits, water source creation (i.e., pond or well).*

**Marketing** – promotional efforts that benefit the expansion or improvement of diversified agricultural operations. Emphasis is placed on activities that are innovative to the operation and/or have long-term benefits. It is recommended that marketing activities involve professional agencies/services. Trade shows are not eligible for funding unless they are part of a TDA program. Examples include advertising, brochures, direct promotions, e-commerce & website development, maps, and signs. *Ineligible - annual meetings, community festivals, give-a-way promotional items, and general office equipment and supplies.*

**Specialty Equipment** – specialized tool or equipment that aids in the production of diversified agricultural products. Items must have a life span of least three years. Examples include automated harvesters, chilling units, custom crushers, greenhouse heaters, planters, spray and irrigation equipment. *Ineligible – general motorized equipment (mowers, tractors, trucks) and inputs (fertilizer, gasoline, operational supplies, pesticides, seed stock).*

**Other ineligible costs** include, but are not limited to,

- Administrative overhead costs
- Paying off existing debt
- Purchase of property
- Travel and other expenses related to the day-to-day operation of the organization
- Salaries, wages, and fringe benefits

## Applicant Eligibility Requirements

- Applicants must be Tennessee residents and operate a farm or agri-business located in the state
- Applicants with livestock must register their premises with the Tennessee Department of Agriculture (TDA) for the National Animal Identification Program. Applicants can register their livestock premises at Farm Service Agency, UT Extension, Farm Bureau or Tennessee Farmers Co-op locations. Premise registration forms and instructions are also available from TDA on-line at [www.tennessee.gov/agriculture/tpis](http://www.tennessee.gov/agriculture/tpis) or by calling (615) 837-5120
- Applicants must be 18 years of age as of January 1 of current year
- Applicants must have demonstrated ability and financial capacity to conduct activity

Applications are available through TDA Market Development office, UT Extension, Farm Bureau or local farm supply stores and may be downloaded from the Department's website, [www.picktnproducts.org](http://www.picktnproducts.org).

**Applications must be postmarked by August 31, 2007 to be eligible for review.** Producers will have until June 30, 2008 to complete approved

activities and submit reimbursement paperwork. Only projects that are **approved in advance** by TDA will be eligible for cost share assistance.

## Application Review Criteria

**Applications will be evaluated on a competitive basis by industry sector.** TDA staff will conduct application reviews.

Only applications that are complete and include sufficient information will be considered for evaluation. The application must merit financial support and demonstrate that the proposed activity has clearly stated objectives, a sound work plan, and the applicant has necessary expertise to successfully complete the project. As part of the evaluation process, a meeting with the applicant and/or a visit to the applicant's enterprise may be required.

## TDA reserves the right to:

- Reject any or all requests
- Provide partial funding for specific activity components that may be less than the full amount requested
- Provide funding contingent on receiving additional information or testimony from the applicant
- Consider each cost share request on a case by case basis
- Waive or modify minor irregularities in requests
- Require the applicant to work with TDA to complete all aspects of the application and reporting requirements
- Withhold payments that do not meet cost share conditions
- Require the applicant to repay funds if they fail to complete all aspects of cost share application
- Inspect funded projects

## Payments

Following TDA review of materials submitted for reimbursement and if no additional information or site visits are required, the Department will request payment to the producer.

*Falsifying applications, invoices or other documents submitted to the department will make that producer and farm ineligible to participate in present and/or future TDA programs and could result in civil litigation or criminal prosecution.*

## Contact

Please direct any questions concerning this program to:  
Agricultural Growth Initiative Coordinator  
Tennessee Department of Agriculture  
P.O. Box 40627, Nashville, TN 37204  
(615) 837-5346 – Phone  
(615) 837-5194 – Fax  
[Ag.Growth@state.tn.us](mailto:Ag.Growth@state.tn.us)

For more detailed information and support materials, go to [www.picktnproducts.org](http://www.picktnproducts.org).

## Applicant Checklist

- ☐ Do you meet the eligibility requirements?
- ☐ Do you have your Premise ID? Required for applicants with livestock.
- ☐ Have you completed all sections of the application?
- ☐ Did you sign your application?
- ☐ Is your application narrative attached?
- ☐ Did you list quote sources or attach actual quotes?
- ☐ Does your total request for cost share assistance fall within the maximum allotment available?
- ☐ Please make a copy of your application and support documentation for your reference.



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# TAEP PRODUCER DIVERSIFICATION COST SHARE APPLICATION 2007-2008

(Please Type or Print Legibly)

Date:

Office Use Only – Date Received

## APPLICANT INFORMATION

Last Name:	First Name:	Middle Initial:	<input type="checkbox"/> Mr.	<input type="checkbox"/> Miss	SSN or Federal Tax ID:
			<input type="checkbox"/> Mrs.	<input type="checkbox"/> Ms.	State of Tennessee Employee? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Previously

<b>Producer Mailing Address (#1)</b>  Street:  City:  State:                      Zip:	Home Phone #:  Cell Phone #:  E-mail address:
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<b>Farm Address (#2)</b>  Street:  City:  State: <b>TN</b> Zip:	<b>Required For Livestock Producers:</b>  <i>What's a premise identification number? See "Applicant Eligibility Requirements" section of the guidelines.</i>		
<b>County where farm is located:</b>	<table border="1"> <tr> <td>Premise ID #:</td> <td>Premise Acct#:</td> </tr> </table>	Premise ID #:	Premise Acct#:
Premise ID #:	Premise Acct#:		

## INDUSTRY SECTOR

- ☐ Agritourism    ☐ Aquaculture    ☐ Bees    ☐ Fruits & Vegetables    ☐ Goats & Sheep  
☐ Horticulture    ☐ Organics    ☐ Value-added Products    ☐ Viticulture

## APPLICATION QUESTIONNAIRE

Proposed projects: {i.e., greenhouse, retail shelter, sprayer, website}	Total Amount of Cost Share Requested:  \$
Have you received TAEP funding before? <input type="checkbox"/> Yes <input type="checkbox"/> No	Have you ever produced tobacco? <input type="checkbox"/> Yes, currently <input type="checkbox"/> Yes, in the past <input type="checkbox"/> No
Years in business:	# of employees:
Acreage:	Sales volume:
What products do you currently produce?	
Did you have assistance in planning this project? <input type="checkbox"/> Yes <input type="checkbox"/> No  (i.e., county extension agent, industry expert, specialized group or association)	If yes, please indicate whom you are working with.

## APPLICATION NARRATIVE

**On separate paper, provide a typed or neatly hand-written narrative (no more than 3 pages in length) addressing each of the following questions.** It is important to fill out your answers in detail. This is the primary information that the selection committee will have in their efforts to decide which proposals are funded. *Incomplete applications will not be considered for evaluation.*

- Briefly describe the history of your operation.
- Describe your proposed cost share activity.
- Explain how this cost share activity will improve or expand your operation.
- Describe the impact this cost share activity will have on your farm income.
- Outline the plan of work and timeline for completing this cost share activity.
- Summarize your marketing plan for your diversified agricultural product(s).
- Priority Areas (50%) – indicate how you meet the special requirements for increased cost share.

- CONTINUED -

## ACTIVITY BUDGET

Provide a **detailed, line-item budget** for the proposed activity using the format presented in the following table.

1. Research the costs related to your proposed activity.  
**Note: Purchases made before approval date are not eligible for reimbursement.**
2. List each item on a separate line.
3. Provide a quote source for each item.
4. Attach quotes if the project is large scale (i.e., greenhouse, restrooms), involves labor or has many components (i.e., drip irrigation system).  
*In order to be eligible for cost share, labor must be quoted by a contractor and cannot be performed by the producer or their employees.*
5. Total the amount of cost share request. **Standard cost share is 35%. Priority cost share is 50%.** Priority areas include Agritourism, Goats & Sheep, Organics, and Viticulture. Please refer to guidelines for qualification.
6. **The total amount of cost share requested cannot exceed the maximum of \$10,000 (35%) or \$15,000 (50%).**

Item Description	Source of Quote	Cost	Cost Share Request Standard (35% of cost up to MAX) or Priority (50% of cost up to MAX)
Total Cost of Activity:			
Total Request for Cost Share:			

**Incomplete applications will not be considered for evaluation.**

I certify that all the information on this application is complete, true, and factual to the best of my knowledge and belief. I understand that providing any false, fraudulent, or misleading information may result in penalties and/or make this farm/tract ineligible to participate in present and/or future Tennessee Department of Agriculture programs.

***SIGN HERE***

**X** \_\_\_\_\_

*Producer Signature*

*Date*

**Mail to:**

TN Dept. of Agriculture  
Attn: TAEP AG Growth Initiative  
P.O. Box 40627  
Nashville, TN 37204

**Applications must be postmarked by:**

**August 31, 2007**

**Contact:**

Ag Growth Initiative Coordinator  
(615) 837-5346  
[Ag.Growth@state.tn.us](mailto:Ag.Growth@state.tn.us)

Approval Announcement:  
October 1, 2007  
Producer will be notified of status by mail.

### OFFICE USE ONLY

Date of Approval:

Amount Approved:

Notes: